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UNITED STATES DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION  
Washington 25, D. C.

THE COUNTY CROP INSURANCE SALES CAMPAIGN

These first campaigns under the amended legislation for participation by producers in Federal crop insurance are the most important in the relatively short history of protection against the many crop production risks which man cannot control.

The Federal crop insurance program has been put on an experimental basis so the campaigns in the selected counties are of importance to producers throughout the nation. Setting up county programs on a sound actuarial basis and obtaining high participation will be major factors in determining how soon this protection against catastrophes in crop production may be available to other producers. Since the program is on an experimental basis, it should be kept in mind that improvements and refinements in the program can be expected as the experience gained under the program justifies or indicates the need for such changes. Farmers and their leaders in the selected counties have the opportunity to build strong, sound insurance programs for themselves and for other farmers who cannot have this protection until the present county maximums established by the legislation for each commodity are expanded.

200 CONTRACTS NECESSARY FOR COUNTY PROGRAM

The new legislation putting all commodity programs on an experimental basis sharply increased the minimum participation requirement. This will tend to eliminate any counties selected where considerable interest in crop insurance is not evidenced through participation. Participation by 200 farms is necessary for a county to have a program. If the campaign falls short of this requirement of the legislation, the applications cannot be accepted.

This seems a reasonable requirement since the number of counties allowed for each commodity is small, and in most counties the number of farms is far in excess of the minimum requirement. It has the effect of directing the Corporation to shift the program from a county where producer interest is slight to another county. This would seem a logical policy when program expansion is possible -- to expand to those counties where the interest is sufficient to give the program a fair chance to succeed.

In counties where there are less than 600 farms producing the insured commodity, the minimum requirement is 1/3 of the farms producing the crop normally.



### QUALITY OF PARTICIPATION IMPORTANT

The importance of keeping the quality of crop insurance participation in a county -- both from land and producer standpoints -- at a level which the program can reasonably be expected to carry cannot be stressed too strongly. A sound crop insurance program at reasonable rates for the protection provided cannot be developed if undue risks are covered by the program.

It should be kept in mind when recommending applications and establishing coverages and rates that premiums are used only to pay losses and that losses paid are the key factors in making possible changes in rates. The penalty for errors or laxness in screening out undue risks from the program is expenditure of farmers' premiums that should go to build reserves for future catastrophes or to permit premium reductions.

The county campaign that starts off with applications from the leading farmers in the county will be successful. When your influential farmers sign up, you are started on a successful campaign providing you follow through and give ample opportunity to all eligible producers to understand the program and to sign applications before the deadline.

Sign up the better producers first. Get good examples that crop insurance is good business through your local policyholders. Strong impetus to the campaign can be obtained through newspaper and radio releases quoting influential farmers who have signed up on why they did and why they think others should follow their example. When you announce the number of applications signed up at intervals throughout the campaign, time these announcements to show that the total reached \_\_\_\_\_ when \_\_\_\_\_ signed his application, etc. Concentrate your early sign-up efforts on key producers in every important production area in the county.

Throughout the campaign keep your applications plotted on a map so that you can see at any time the distribution of participation throughout the county. This will enable you to put added drive in areas where the sign-up is not progressing satisfactorily and to de-emphasize your efforts in any area where you judge that participation is too concentrated for the risks involved. If there are any areas in the county which have been classified as insurable but there is good reason to question whether the risks in the area are such that participation should be limited, you should set a participation quota for the area in planning the county campaign. This will obtain experience from the area but will limit the liability placed upon farmers' premiums in testing the risks involved.

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WHAT FEDERAL CROP INSURANCE IS

When you get down to the individual producer's operation, crop insurance offers this amount of protection against the unavoidable risks of production for this much premium.

Yes, it's a good business proposition for the individual. It is protection of his investment in production of the crop. Protection of his business -- the highest risk of all major occupations -- against losses over which he has no control.

It is a routine matter for the results of the farmer's production effort to be insured at every step from the harvest field to the consumer. For example, grain is insured in the bin, in transit, in storage and at every step enroute to the consumer. Yet the possibilities of loss are slight after the production leaves the harvest field compared with the many natural production risks to a growing crop which can completely destroy the best efforts of the best farmer while he stands helplessly by. Crop insurance provides the farmer protection when his risk is greatest -- while the crop is growing. It offers farmers an opportunity to have protection on the crop while it is in their possession comparable to the protection that the handlers of farmers' production have enjoyed for many years.

This protection is available on a non-profit basis. The program is a farmers' program with farmers in effect joining together and each paying a small premium in order that none of them may suffer a catastrophic loss. That's the basis of all insurance -- many people paying premiums which are used to pay losses. Normally, insurance premiums are used to pay operating costs and profits as well as losses suffered from causes insured against. Federal crop insurance premiums, however, go only to pay losses suffered by insured farmers. Costs of operating the program are paid through an appropriation by the Congress for that purpose. Premiums in excess of losses paid are accumulated as reserves to be used when losses exceed premiums and to make possible reductions in premium rates.

In the Federal crop insurance program, Congress has provided farmers the opportunity to join together to provide each other the protection against unavoidable production risks which is not otherwise available to them -- basic protection for their business enterprise.

It is farmers cooperating together to build their own program of insurance protection. Its future rests in the hands of farmers -- in their participation in it, the use that they permit of the premiums they pay and the influence which they provide as policyholders in guiding its sound development as a program of protection.



### INSURANCE IS PROTECTION

A crop insurance premium buys protection like any other insurance premium. It's an addition to operating costs to protect the crop investment until that investment produces a return. A good risk takes this protection each year but prefers never to collect on it. You don't make money, getting your investment back, but the natural risks of crop production are such that it's mighty sound business to protect your costs of production. Some of the best farmers in the country have collected crop insurance indemnities for crops that failed or were destroyed by natural hazards even though they were planted on some of the very best land in the nation. Crop catastrophe can strike a single farm, a community, an entire county, or a major production area. Crop insurance is good business protection every year because you can't tell which crop is going to be destroyed by the seed that is planted or the farming methods followed.

A sound crop insurance program will be built by farmers cooperating together year after year and not by them trying to guess which year they should participate. Since premiums go to pay losses only, the "in-and-out" who tries to guess when his chances of collecting are best is a poor crop insurance risk along with the producer who is trying to grow the crop on unsuited land or whose farming methods are poor. Any producer who applies for crop insurance because he hopes to collect is an unwarranted risk. The program is designed to provide protection for producers who will exert every effort to avoid the necessity of collecting from their premiums. Emphasize who you don't want as well as who you do in your publicity. Good risks will participate in the program much quicker if they know that you are making a real effort to keep bad risks out of the program.

### PLANNING AND FOLLOW-UP ESSENTIAL TO GOOD CAMPAIGN

There is nothing complicated about a thorough crop insurance campaign, but like any effort that requires contacting many people in a relatively short period, planning an organized effort and following through on the plans are essential. Successful planning requires a schedule not only of what will be done but when it will be done. These plans must be followed up to see that they are being carried out properly and on schedule and to supplement them with additional efforts that will multiply the results. A campaign for participation is an action program and should be carried through vigorously.

### CREATE INTEREST WHILE YOU DEVELOP PLANS

When you start organizing the county campaign, start preparing your farmers for it with news and radio stories about crop insurance being available in the county, what it offers and why, who is eligible, when



you will be ready to accept applications, etc. These efforts linked with at least one letter to all producers outlining general information regarding the features of the program will prepare the seed bed so that you can logically expect results when you get your campaign into full swing. The success of your campaign will have a direct relationship to the interest you create in crop insurance and the understanding that you give your farmers of what it is and means to them and other farmers.

The job of creating interest is of major importance in the campaign. This can be done through press releases, radio spots and scripts, letters and cards to producers, posters, leaflets, advertisements, movie trailers, meetings and discussions with and among farmers. Individual contacts are necessary for signing applications and should be utilized to the fullest extent in creating interest in crop insurance, but results will be multiplied extensively by creating interest in advance of individual contacts for purposes of signing applications.

#### PLAN YOUR CAMPAIGN TO FIT YOUR COUNTY

A good campaign can be planned best at the local level. You know your people and the facilities available. Plan your campaign to make full use of this knowledge and to carry through a well rounded campaign utilizing all facilities available.

The more support that you can get from the press, radio, farm groups, business people and interested farmers the faster your campaign will roll up results and the more complete job you will get done in the limited time available.

Crop insurance is important to all the people in an agricultural county. Businessmen and their employees in farm communities are dependent upon the farmer's income for the success of their own ventures. A program that adds to the security and soundness of farming operations benefits them as well as the farmers. Have meetings with business leaders to get an understanding of this and what the program offers. Enlist their aid in stimulating interest and understanding. In one meeting or several, you should explain the program and solicit support for it from your farm leaders, business representatives, farm organizations, federal and state farm agencies, and any others who might assist in stimulating participation.

In addition to meetings scheduled specifically for crop insurance purposes, use every farm and business meeting available to you to increase interest and understanding of crop insurance.



### PERSONAL CONTACT ESSENTIAL

Your campaign should be designed to effect contact with all eligible producers in your county so that a definite effort can be made to get them to participate by signing an application. The best method of making this personal contact will vary by counties. That is one of the very important decisions that must be made in planning the campaign and in following up on campaign plans to assure that results are obtained.

Personal contacts may be made for the purpose of signing applications through various methods such as representatives actively selling contracts to farmers throughout the county, over the counter in the county office, at meetings, at the local bank, at the co-op, at any establishment where farmers do business, in specified communities on specified days with county office personnel, etc. The most effective methods are a matter for local decision and follow-up to assure that results are obtained. Most counties will decide on a combination of several of these methods of personal contact. The goal is to get signed applications and the best methods are those which get results.

The agent's agreement with the county office provides the means for the county to use the method of sales and of compensation for sales that is best suited to local conditions.

If sufficient interest in crop insurance can be created in the county, the job of making the personal contacts needed for a successful campaign will be greatly simplified. Press releases, radio spot announcements and direct mail to farmers should stress from the start of the campaign that no assurance can be given that every producer can be personally contacted unless they visit the county office or contact sales representatives, etc. It is well to stress that full information and details are available to any producer at the county office and that those who can should use this opportunity for getting the facts on crop insurance and signing an application before the deadline.

### TRAINING SALES REPRESENTATIVES

It is not a complex or complicated assignment to successfully explain crop insurance to the farmer providing the individual attempting it understands crop insurance and the program that is offered locally. For best results both in applications signed and satisfied policyholders, salesmen should thoroughly understand the program, sincerely believe in its value and, of course, participate if they operate or own farms.

Those contacting farmers to get signed applications should be very familiar with what crop insurance offers the individual contacted and



the performance that is required of him if he participates. The program and his coverage and rates should be explained very carefully and clearly to him so that there will be no later misunderstandings on his part regarding protection, the premium or the performance required of him.

The "Sales Handbook" for each commodity is designed to provide all of the basic information and answers that a sales representative will need in the majority of his contacts with the exception, of course, of the coverages and rates. Part of the job of training those who will be working on the signing of applications is to provide any additional information from the regulations that may be needed in that county or on which questions might be raised. Through the "Sales Handbook", a good understanding of program operations and provisions can be obtained.

One or more suggested ways of presenting the protection and the program should be developed. Here again the best way of presenting the material will vary by programs, by counties and frequently even by farmers. There is no "sure" way of presenting the program to a producer but the way that seems best to those with a thorough knowledge of local farmers and problems is the most logical. This definitely is not an effort to "high pressure" farmers into taking crop insurance. It is an effort to give every farmer a thorough understanding of the crop insurance program and how it applies to his farm and to use any reasonable means to stimulate him to actively participate in this program.

The first training session should aim at giving as thorough training and preparation as possible, but it should be recognized and made a part of the campaign plans that follow-up sessions will be held to meet any problems that develop and to provide an opportunity to improve methods and results through exchange of ideas and the closing of any gaps that become evident in the thoroughness of the original campaign plans.

#### PUT IT IN WRITING

Your county campaign should be mapped in just as much detail and with the same care and thoroughness as the area mapping job which is the basic source for coverages and rates for individual producers.

Talk all your problems and possibilities in connection with the campaign over. Jot down all the potential tools available or that can be developed for your campaign. Decide how you are going to sell. Who will sell. Who will follow-up and how. Who will be responsible



for the execution and the follow-up on the different phases of the campaign.

Now start putting it down on paper. First outline the campaign in general terms. Then start filling in the details. Then decide on the timing with definite dates where possible.

Don't overlook contacting non-resident landlords by mail. One letter will contact them and explain the program but another letter and a deadline card will make it a sales effort. Use the one-two-three formula wherever possible in your sales plans.

When you've got the plan developed to the point where it satisfies and you feel that a successful campaign will result if the plan is carried out, get 'er rolling and as you pass the milestones on that written plan check them off and add the many things that will be helpful but weren't included on the original plan.

Do a thorough job as a service to your farmers and for the future of a well-rounded farm program.

Get the right answer to what you put in writing by giving the job the follow-up that will make the answer-results.







